
NEED AND PURPOSE OF INTERPRETATION OF STATUTES

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I. ABSTRACT

Interpretation of statutes is a technique of giving the enactment's words their standard, natural meaning in order to discover the actual meaning of it. It is the method of determining the actual meaning of the statute's words. Since the courts are not allowed to interpret cases arbitrarily, numerous principles have emerged as a result of their ongoing activities. These guidelines are at times referred to as "rules of interpretation". There are four rules of interpretation of statutes that have been utilized by courts in the process of interpreting the statutes in various landmark judgements. These are the literal rule of interpretation, mischief rule of interpretation, golden rule of interpretation and the rule of harmonious construction. The literal rule is also known as the plain reading rule, which gives the original, natural and precise meaning of the words used in the statute without any inclusion or replacement of words. The mischief rule is also known as the Heydon's rule, which aims to determine the mischief and defects in the statute and find out a remedy to cure the mischief and defects of the statute. The golden rule is also known as the British rule, which allows flexibility in the process of interpretation by permitting deviations from the exact meaning of the words that result in absurd outcomes. The rule of harmonious construction is also known as the thumb rule of interpretation, which is used for harmonizing the two provisions of a statute in case of a conflict between them in such a way that neither of their interests are nullified and maximum benefit can be derived from them. Interpretation is a widely recognized activity that holds significant value. The interpretation of laws is essential for comprehending obscure language, executing the law in particular circumstances, to settle conflicts, and upholding uniformity.

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II. INTRODUCTION

Interpretation is the process of ascertaining the true meaning of a word used in a statute. When the language of the statute is not clear and there are ambiguities in words used in the statute, there is need for the process of interpretation. When the language of the statute is clear and there are no ambiguities in words used in the statute, there is no need for the process of interpretation. Statutes are enacted by a legislative body. The process of interpretation of statutes ensures that the laws are applied uniformly. It plays an essential role in the process of law making. It analyses the text of the statute, takes into consideration the purpose of the statute, investigates the legislative history and applies the established legal principles and rules of interpretation. The main objective of the process of interpretation of statutes is to make the legislative intention of the statute clear. It determines the exact intention of the legislature. Sometimes the language of the statute may be complicated for a layman, interpretation of the statute makes it clear for a layman. Legal professionals, judges and courts are responsible for interpreting statutes while resolving disputes and applying laws in different cases. The courts have applied the process of interpretation of statutes for making decisions in various landmark judgements. It has been applied in a meaningful way depending on case to case.

III. NEED FOR RULES OF INTERPRETATION OF STATUTES

The concept of interpretation of statutes is not a static one. It becomes an ongoing exercise as newer facts and conditions continue to arise. It helps in finding out the real intention of the statute. Interpretation of statutes is necessary due to the following reasons-²

1. **Ambiguities in the statute:** Most of the times there are ambiguities in certain words used in the statute. Some words have multiple meanings at a particular

² Legal Service India - Law, Lawyers and Legal Resources, <https://www.legalserviceindia.com/> (last visited Apr 20, 2024).

time. Multiple interpretations are derived from it. It is not clear which interpretation meaning should be applied.

2. **Rules are incomplete:** Some implied powers and privileges and rules and regulations are not defined properly and are not clearly mentioned in the statute. This leads to ambiguity in the statute, and it becomes complicated to understand the statute.
3. **Specific area is not covered by the legislation:** Sometimes legislation's do not cover the entire area. They leave some grey areas. Interpretation of statutes becomes essential to bridge the gaps between them.
4. **Statutes are complex:** Statutes are usually complex and contain complicated words and technical terms which are difficult to understand, and this complexity results in confusion. Interpretation of statutes helps in removing the complexities.
5. **Mistakes in drafting:** Sometimes the draft has certain mistakes. There is a lack of knowledge and expertise about the subject. Important terms are missing and there are grammatical mistakes. It leads to ambiguities in the legislature when the draft is not clear.
6. **Transformation in the environment:** There is transformation in society from time to time. Laws are also modified with the passage of time. There are new developments in society. Statutes are required to be interpreted from time to time with changes in society.

IV. PRINCIPLES OF INTERPRETATION OF STATUTES

The court plays an essential role in interpreting statutes and giving meaning to them in such a way that makes them practical and applicable. But the interpretative function cannot be exercised arbitrarily by the court as it would lead to multiple interpretations and will be a hindrance in the administration of equal justice. The courts have developed certain principles and rules of interpretation of statutes over time in order

to ensure consistency. Courts have applied these rules of interpretation on various occasions.³

A. RULES OF INTERPRETATION OF STATUTES

The rules of interpretation of statutes include-

1. Literal Rule of Interpretation

It is also known as the plain reading rule. It examines the language and the literal meaning of the statute. This principle states that words should be given their original, natural and precise meaning. The provisions should be given their natural effect and should be analysed in their literal sense. They should be read in their original form. There should be no inclusion or replacement of words while interpreting the statute. The words should be interpreted as they are. Only one meaning is derived out of the statute. The words must be applied even if the intent of the legislature is different and may result in an unfavourable decision. It focuses on what the law says instead of focusing on what the law means.

CASE LAWS-

- **Tata Consultancy Services vs. State of Andhra Pradesh (2005) 1 SCC 308**

A literal construction will not be denied in view of the fact that adhering to them will result in a penalty. The courts should not be overly enthusiastic about finding obscurities or ambiguities in plain words.

- **Keshavji Ravji and Co. Vs. CIT (1990) Taxmann 87 SC**

The literal rule states that any attempt to interpret the legislative intent by an interpretation process becomes ineffective as long as the statutory wording is clear.

The literal rule will be understood after taking the following points into consideration:

³ Lawyersclubindia - Law, Lawyers, Advocates, Law Firms, Legal Help, Legal Experts, Judgements, Social Network for, LAWYERSCLUBINDIA, <https://www.lawyersclubindia.com/> (last visited Apr 20, 2024).

- a. The statute contains a section for interpreting terms which provides the special meaning of the terms like definition sections.
- b. If specific definitions are absent in the statute, technical words should be assigned their ordinary technical meanings.
- c. There will be no addition of words by implication.
- d. Words undergo changes in meaning with the passage of time.
- e. It should be noted that words must attain significance from their context.

Significance of the Literal Rule of Interpretation

The literal rule of interpretation is favored in most of the cases because it helps in making the statute clear to a layman. The supremacy of parliament is safeguarded by this rule. It gives the original meaning of the words used in the statute. It offers no opportunity for judges to apply their personal biases or prejudices. It is therefore stated that the meaning of the words should not be changed by inclusion or replacement of words. It is beneficial for maintaining the uniformity of interpretation.

Limitations of the Literal Rule of Interpretation

The literal rule of interpretation is often criticized on the grounds that it does not allow flexibility in the process of interpretation. The words in the statute should be read as they are without any inclusion or replacement of words while interpreting the statute even if the meaning derived from the statute will result in an unfavourable outcome contrary to the legislative intention. There is an assumption that words have fixed meanings, which is not accurate as numerous meanings can be derived from the words depending on the context in which they are used.

2. Mischief Rule of Interpretation

It is also known as the Heydon's rule. It is utilized in various common laws. The rule seeks to determine the intent and purpose for the establishment of a statute. Its objective is to assist judges in identifying the mischief or issues that the legislature intends to address, as well as comprehending the statute in such a way that complies with the legislative substance. The chief objective of this rule is to determine the

mischief and defect that the statute in question attempts to rectify, as well as the ruling that would efficiently execute this remedy. Four parameters must be taken into consideration for effective interpretation of statutes regardless of whether they are advantageous, penalizing, restrictive or enlarging of common law, as expressed in the Heydon's case.

- What was the common law that existed before the creation of the act?
- What was the mischief and defect that could not be fixed?
- Which remedy to cure the disease is suggested by the legislature?
- The real rationale for the remedy.

CASE LAWS-

- **British Airways PLC. Vs. Union of India 2002 SC**

The Supreme Court held that the court's duty is to strengthen the remedy and subdue the mischief.

- **K.S. Paripooram vs. State of Kerala AIR 1995**

The court held that in order to properly interpret a law, it is essential for the court to take into account any pre-existing legislation as well as Parliament's objectives while addressing a particular situation. Furthermore, the interpretation must be done in view of the public interest.

Significance of the Mischief Rule of Interpretation

By making an effort to figure out the legislature's intention while passing the statute, the mischief rule could direct one towards an interpretation that is consistent with that legislator's intent. The mischief rule permits judges to deviate from the literal reading of the statute's language in order to accomplish the intended goals. The original intent of the statute can be upheld by applying the mischief rule when modifying its meaning and purpose in response to changing factors.

Limitations of the Mischief Rule of Interpretation

Different judges may arrive with contrasting findings regarding the nature of the 'mischief' or problem that the statute was meant to solve, and the determination of that problem can be subjective. Since they might not be sure about how a court would interpret the statute in a particular situation, individuals and businesses which are obligated to abide by the statute might encounter uncertainty as a result of the application of the mischief rule. It is possible to manipulate a mischief rule so that a court will favor a specific interpretation of the statute by figuring out a different 'mischief' or problem.

3. Golden Rule of Interpretation

It is also known as the British rule. It allows flexibility in the process of interpretation. It permits deviation from the exact meaning of the words, resulting in absurd conclusions. A judge is allowed to deviate from the standard meaning of the word in cases where its interpretation would result in an unreasonable outcome. The golden rule is a balance between the literal rule and the mischief rule. It usually assigns words their standard and precise meaning but permits deviations when strictly complying with it will result in an unjustifiable outcome which is contradictory to the legislative intention. In certain situations where the words of the statute have numerous meanings, the judge has the authority to apply the most suitable meaning. Likewise, in cases where the word has only one meaning but applying it would result in an unreasonable outcome, which is contrary to the legislative intention, the judge can allocate an entirely different meaning altogether.

CASE LAWS-

- **Lee vs. Knapp (1967)**

In this case, the court applied the golden rule of interpretation. It was held that the driver did not follow the requirements of the section because he did not stop for a reasonable time frame. Requiring those concerned to make the required inquiries for him regarding the incident.

- **State of Mysore vs. Sundaram Motor Private Ltd**

In this instance, the ambiguity was a car that was maintained in the state. Every motor vehicle was subject to taxes, per Section 3(1) of the Mysore Motor Vehicle Act. It was decided that cars kept in the state were those that used every facility that the state of Mysore offered.

Significance of the Golden Rule of Interpretation

It offers authority to the courts to avoid dealing with absurdities in order to uphold justice. Its main objective is to prevent the parliament from rapidly changing the laws. It assists in bridging the gaps. It keeps a check on the extreme application of the literal rule. The golden rule should only be applied in cases when the literal rule of interpretation results in absurdities or inconsistencies, upholding the laws and consequently the statutes made by the parliament.

Limitations of the Golden Rule of Interpretation

Judges have the authority to alter a statute in order to invalidate the reading. There are no guidelines for deciding when to apply the golden rule, so it is unpredictable. Judges don't have the authority to change the current laws or reverse those from the past. The use of the golden rule is limited since the literal rule is used first in situations where there is an absurdity. It is not clear when the golden rule should be used because every court has a different perspective and what one judge finds absurd may not be absurd to another. It only grants authority to the judge to give a different meaning to the statute in specific circumstances.

4. Rule of Harmonious Construction

The rule of harmonious construction is applicable in cases when there is a conflict between two or more provisions of a statute. This rule aims to harmonize the two provisions and interpret them in such a way that neither of their interests are nullified and maximum benefit can be derived from them. It also ensures that no rule is violated while the other one is being followed. It gives effect to all the provisions as far as possible. Courts have applied this rule for resolving conflicts between the different provisions of statutes. It is considered as a thumb rule of interpretation of statutes.

Objective-

- To interpret the provisions of the statute in such a manner that they harmonize and to prevent conflict between them.
- The legislature's ultimate objective is to ensure that the interpretation process cannot be to allow something in one provision while denying it in the subsequent one.

When can it be applied?

When the court fails to reconcile the conflicts between clashing provisions, it applies the doctrine of harmonious construction. The court has the duty of interpreting them in a way to give maximum effect to both of them.

CASE LAWS-

- **CIT vs. Hindustan Bulk Carriers AIR 2002 SC 3941**

The Supreme Court held that courts must interpret laws in a manner that harmonizes them instead of putting them directly in conflict with one another.

- **Union of India vs. Azadi Bachavo Andolan (2002)**

In this case, the Supreme Court applied the rule of harmonious construction for interpreting the statutes. A balance was created between the provisions of the Income Tax Act, 1861 and the Double Taxation Avoidance Convention between India and Mauritius. The above-mentioned convention offered certain exemptions, but the terms of the aforementioned Act appeared to tax capital gains, which gave rise to controversy. By applying harmonious construction, the court established that these clauses were meant to prevent double taxation and maintain the purpose of the relevant convention, safeguarding taxpayers from incurring excessive tax obligations.

Significance of the Rule of Harmonious Construction

The rule of harmonious construction aims to interpret statutes in such a manner that two conflicting provisions are harmonized and neither of their interests are nullified. It helps to bridge the gaps between the two opposing provisions of the statute. Courts have resolved conflicts between many opposing provisions by applying the rule of

harmonious construction. It has helped in creating harmony between different statutes.

Limitations of the Rule of Harmonious Construction

The rule of harmonious construction also has certain limitations. This principle cannot be applied in circumstances where statutory conflicts are unrecoverable or when the purpose of legislation is not clear and unambiguous, and contrary to the provisions of the constitution, instead the court emphasizes the implementation of other principles.

V. MAXIMS OF STATUTORY INTERPRETATION

A. EJUSDEM GENERIS

Ejusdem Generis is a latin word which means “of the same kind”. It includes words of a similar kind or nature. It is used for interpreting the words of the statute that contain ambiguities. When a law mentions certain classifications of people or things, subsequently describes them in general, the general statements are only applicable to the particular kinds of people or things mentioned. The maxim ejusdem generis guides courts and legal practitioners to evaluate and interpret statutory provisions, settling inconsistencies and loopholes in the law. When a broad expression is followed by specific terms or phrases in a statute, it should only refer to the same types of objects or issues as described. It limits the application of the general term to a specific category or set of products that are similar to the particular products mentioned with respect to nature or character. Ejusdem generis is encouraged by the idea that lawmakers usually have certain objectives and goals in mind while describing specific objects or attributes. Specific phrases or expressions have been used by legislators in order to demonstrate their intention for addressing certain scenarios or conditions. Consequently, when a general phrase is followed by these specific examples, it is presumed that the legislator intended to restrict the general term’s meaning to similar kinds of objects or circumstances.⁴

⁴ Homepage, LAWCTOPUS (2024), <https://www.lawctopus.com/> (last visited Apr 20, 2024).

- **Example-** If there is a law pertaining to trucks, automobiles, motorcycles, tractors and other motorized vehicles, a court may apply ejusdem generis to establish that since the list exclusively covered land-based transportation, airplanes will not come under the category of these vehicles.

CASE LAWS

- **N & W Railway vs. Train Dispatchers**

It was held by the court that ejusdem generis is not applicable in cases in which a completely different conclusion is derived from the context.

- **Circuit City Stores Inc. vs. Adams**

Ejusdem generis was defined by the Supreme Court as a situation where general words follow specific words in a statutory enumeration, the general words are construed in order to embrace only objects to those objects which are of a similar nature with those rules.

Applicability of Ejusdem Generis

- **Administrative Law:** It is applied in interpreting administrative directives or rules under administrative law. It assists in determining the manner in which regulations must be applied.
- **Criminal Law:** It helps in analyzing the purpose of the language used in the words of criminal statutes.
- **Insurance Law:** It is used for analyzing the provisions of policies in insurance law.
- **Interpretation of Contracts:** It is used in the interpretation of general provisions of the contract that are followed by particular terms or illustrations.
- **Environmental and Natural Resources Law:** It defines the scope of words or phrases with respect to certain conditions in cases where

rules or statutes touch upon environmental dangers or classifications of natural resources.

- **Interpretation of Statutes:** It helps in identifying the main objective and purpose of the general terms used in the statute. It ensures that the generic phrases are only applicable in circumstances which come under the same groups as per the specific examples provided.

Need for Ejusdem Generis

The maxim ejusdem generis is used under the following circumstances-

- When the language of legal arrangements is ambiguous.
- The arrangement can be interpreted in two different ways.
- The intended purpose of the rule is undermined by the arrangement of the regulation.

This maxim is only applied in cases when the language of the statute is complex and contains ambiguities. It is not applicable in cases where the language of the statute is clear, and words do not have the same or similar meaning.

Limitations of Ejusdem Generis

Ejusdem generis also has certain limitations:

- In cases where the specified terms exhaust the entire class or genus, ejusdem generis becomes irrelevant.
- Ejusdem generis becomes inapplicable in situations where the aim of the legislation is in contradiction with its applicability.
- It cannot be used when the general word comes after a single word because that single word cannot establish a unique class or genus.

B. NOSCITUR A SOCIIS

Noscitur a sociis is a latin maxim which means “to know from the association”. It states that the meaning of the words should be understood from the words immediately surrounding it. It is frequently used in legal analysis and statutory

interpretation to ascertain the meaning of a certain word or phrase within a statute or regulation by taking into account the words and phrases that surround it in the same context. In cases where words are ambiguous and unclear, their meaning is derived by looking at other phrases, words or terms that are associated with it in that particular provision. There can be a better understanding of the intended meaning and objective of a word by observing how it is used in relation to other words.⁵

- **Example:** There is a rule in the examination hall that mobile phones and earphones are prohibited in an examination hall. If someone carries woki toki in the examination hall, it will also be prohibited. Woki toki is also an electronic and communication device like mobile phones earphones. All electronic and communication devices are prohibited in the examination hall.

CASE LAWS:

- **Lokmat Newspapers vs. Shankar Prasad**

It was held by the court that dismissal or discharge do not have the same or similar meaning. Hence, this rule is not applicable in this case.

- **Oswal Agro Mills Ltd. Vs. Collector, Central Excise**

The maxim “Noscitur a sociis” was briefly explained by the Supreme Court in this case. It was held that terms are understood in their connected implications when they are put together in an Act of Parliament that has a similar meaning. These terms inherit traits from each other, and the wider term is limited to a meaning that is comparable to the more specific term.

Where it is applicable?

- It is applicable in situations where the associated words have the same or similar meaning.

⁵ FindLaw: for legal professionals: (Formerly titled FindLaw: Internet legal resources), 39 CHOICE REVIEWS ONLINE 39Sup (2002), <http://choicereviews.org/review/10.5860/CHOICE.39Sup-0659> (last visited Apr 20, 2024).

- It is also applicable in situations where the intention of the legislature is not clear.

Where it is not applicable?

- It is not applicable in situations where the words have disjoint meaning.
- It is also not applicable in situations where the intention of the legislature is clear.

Need of Noscitur a Sociis

The scope of “Noscitur a Sociis” is basically within the sphere of legal interpretation, especially in statutory or contractual conditions.

- **Legislative Intention:** It helps in ensuring that interpretation is in alignment with the goals and objectives of the statute as it is interpreted with reference to the words surrounding it.
- **Statutory Interpretation:** It is usually used in the interpretation of laws or statutes. The intended meaning of the specific words or phrases of the statute is made clear by taking into consideration the surrounding words and phrases.
- **Avoid Unintended or Absurd Outcomes:** It makes sure that the meaning of a word is compatible with the nearby words and prevents interpretations that can lead to irrational or absurd results.
- **Resolving Ambiguities:** In situations where a word or phrase can be interpreted in different ways, taken into consideration its association with other words will give clarity.
- **Contractual Interpretation:** It is applied in the interpretation of contracts. In cases where a term used in a contract is unclear or ambiguous, analyzing other terms and overall circumstances of the agreement will assist in deriving its meaning.

Limitations of Noscitur a Sociis

Noscitur a Sociis has certain limitations-

- **Broad Legislative Intent:** The rule should not be applied to restrict the meaning of terms whenever the legislator intends them to have a broad meaning.
- **Exclusions:** Anything that the statute has already expressly excluded cannot be included under this rule.
- **Not applicable in Clear Arrangements:** This rule is not applicable in situations where the meaning of the arrangement of the words used in the statute is clear and unambiguous.
- **Defined terms:** This rule cannot be applied in situations where the words are expressly defined in the statute.

VI. DIFFERENCE BETWEEN EJUSDEM GENERIS AND NOSCITUR A SOCIIS

A. Meaning and Objective

Ejusdem generis means words of a similar kind or nature. Ejusdem generis is a legal maxim that uses the specific phrases that appear before ambiguous or broad terms to interpret them in a statute or contract. In order to maintain consistency with the mentioned specific words, it limits the definition of the general term. On the other hand, noscitur a sociis means to know from the association. The objective of noscitur a sociis is to comprehend the meaning of a certain word or phrase by examining the context offered from different words or phrases in the same legislative provision. It examines the surrounding words to figure out the correct interpretation of words.

B. Nature of Ambiguity

Ejusdem generis is frequently applied when there is ambiguity in the meaning of a general term in the list, and it is unclear how that term should be construed with respect to the specific terms. On the other hand, Noscitur a sociis is applied when the interpretation of a word or phrase is dependent upon the words around it and there is uncertainty in the meaning of the words in a larger context.

C. Specific or General

Ejusdem generis expressly handles the link between specific and general terms in a list. It addresses the connection of these words. On the other hand, Noscitur a sociis refers to any words or phrases that come together and may have similar or parallel meanings. It does not emphasize specific compared to general distinctions.

D. Applicability

Ejusdem Generis is used when a law or section contains a list of particular words followed by a broader or ambiguous term. It implies that the general term should be construed in the same way or manner as the specific words given. On the other hand, Noscitur a sociis is used when two or more terms in a legal document have similar or related meanings as a result of their use jointly. It suggests that these expressions should be interpreted in the context of their relationship with one another.

E. Focus

The fundamental objective of ejusdem generis is to limit or narrow the scope of the general word until it matches the specific terms offered. It discourages overly broad interpretations. On the other hand, Noscitur a sociis prioritizes comprehending the meaning of a word on the basis of its context in the text. It seeks to avoid ambiguity by taking into account the context provided by the surrounding words.

F. Examples

- Ejusdem Generis- If there is a law pertaining to trucks, automobiles, motorcycles, tractors and other motorized vehicles, a court may apply ejusdem generis to establish that since the list exclusively covered land-based transportation, airplanes will not come under the category of these vehicles.
- Noscitur a sociis- There is a rule in the examination hall that mobile phones and earphones are prohibited in an examination hall. If someone carries woki toki in the examination hall, it will also be prohibited. Woki toki is also an electronic and communication device like mobile phones earphones. All electronic and communication devices are prohibited in the examination hall.

VII. CONCLUSION

Interpretation is the process of ascertaining the true meaning of a word used in a statute. Interpretation is required in cases in which the language of the statute is not clear and there are ambiguities in words used in the statute. The courts have developed certain principles and rules of interpretation of statutes over time in order to ensure consistency. Courts have applied these rules of interpretation in various landmark judgements. The literal rule gives the natural, original and precise meaning of the words used in the statute. The mischief rule aims to find out the mischief and defects in the statute in question and implement a remedy. The golden rule provides flexibility in the process of interpretation by permitting deviation from the original meaning of the words. The rule of harmonious construction harmonizes two opposing provisions in order to give effect to both of them. The efficient and uniform implementation of the law relies heavily upon the rules of interpretation of statutes. The maxim *Ejusdem Generis* means “of the same kind” and includes words of a similar kind or nature, which is used for interpreting the words of the statute that contain ambiguities. The maxim *Noscitur a sociis* means “to know from the association”, which states that the meaning of the words should be understood from the words immediately surrounding it. The interpretation of laws plays a major role in comprehending obscure language, executing the law in specific circumstances, to settle conflicts, and uphold uniformity. ⁶

⁶ Home - Legally India - Career Intelligence for Lawyers, Law Students, <https://www.legallyindia.com/> (last visited Apr 20, 2024).